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Austin has changed in the 18 years  
since our last rate review.

Our commitment to our customers remains unchanged.

***Mission: Deliver clean, affordable, reliable energy and excellent customer service.***

***City Council Work Session  
June 7, 2012***



## Residential Bill Format

Residential Bill Components	Existing Rate	May 2012 Proposal
Customer Charge (\$/month)	\$6.00	\$10.00
Energy Charge (¢/kWh) – Summer Period (June-Sept)		
< 500 kWh	3.55 ¢	3.5 ¢
501 – 1000 kWh	7.82 ¢	7.7 ¢
1001 - 1500 kWh	7.82 ¢	9.1 ¢
1501 – 2500 kWh	7.82 ¢	11.0 ¢
> 2500 kWh	7.82 ¢	11.4 ¢
Fuel Adjustment (¢/kWh)	TBD	TBD
Community Benefit Charges (¢/kWh)		
Customer Assistance Program (\$/mo)	Inc. Above	\$ 1.50
Service Area Street Lighting (¢/kWh)	Inc. Above	0.093 ¢
Energy Efficiency Programs (¢/kWh)	Inc. Above	0.289 ¢
Regulatory Charge (¢/kWh)	TSAR 0.144 ¢	0.728 ¢



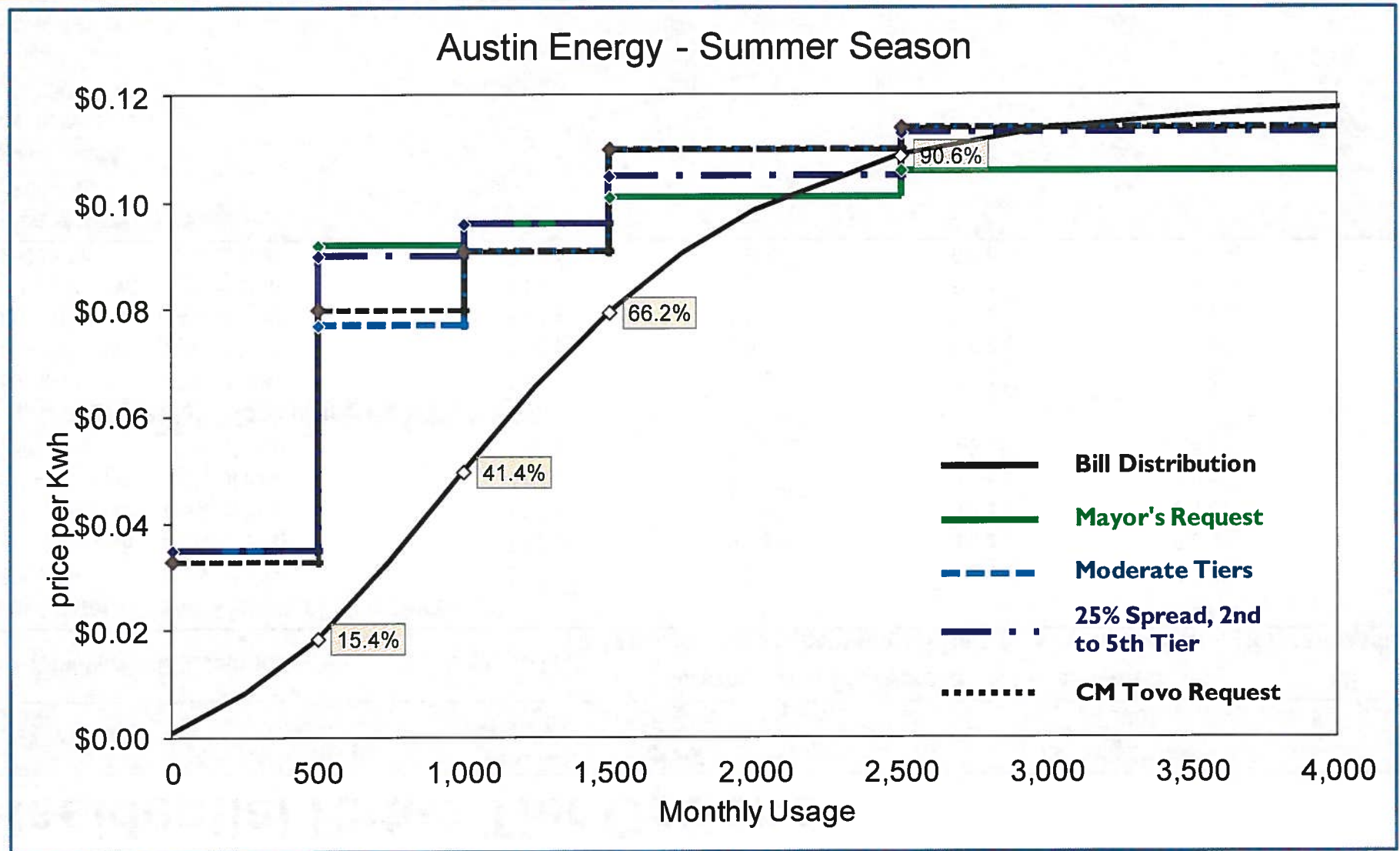


# Residential Rates Tier Options

		Mayor Leffingwell		Council Member Tovo	
Residential Bill Components	Existing Rate	15% Spread between 2-5 Tiers	25% Spread between 2-5 Tiers	Reduced 1st Tier & Inc to 2nd Tier	AE Recommendation
Energy Charge (¢/kWh) – Summer Period (June-Sept)					
< 500 kWh (15% of bills)	3.55 ¢	3.5 ¢	3.5 ¢	3.3 ¢	3.5 ¢
501 – 1000 kWh (26% of bills)	7.82 ¢	9.2 ¢	9.0 ¢	8.0 ¢	7.7 ¢
1001 - 1500 kWh (25% of bills)	7.82 ¢	9.6 ¢	9.6 ¢	9.1 ¢	9.1 ¢
1501 – 2500 kWh (25% of bills)	7.82 ¢	10.1 ¢	10.5 ¢	11.0 ¢	11.0 ¢
> 2500 kWh (9% of bills)	7.82 ¢	10.6 ¢	11.3 ¢	11.4 ¢	11.4 ¢
Energy Charge (¢/kWh) – Non-Summer Period (Oct-May)					
< 500 kWh (40% of bills)	3.55 ¢	2.0 ¢	2.0 ¢	1.8 ¢	2.0 ¢
501 – 1000 kWh (37% of bills)	6.02 ¢	5.6 ¢	5.4 ¢	5.6 ¢	5.2 ¢
1001 - 1500 kWh (14% of bills)	6.02 ¢	5.9 ¢	5.8 ¢	7.2 ¢	7.2 ¢
1501 – 2500 kWh (7% of bills)	6.02 ¢	6.2 ¢	6.2 ¢	8.4 ¢	8.4 ¢
> 2500 kWh (2% of bills)	6.02 ¢	6.5 ¢	6.8 ¢	9.6 ¢	9.6 ¢
Average Monthly Bill Impact					
501-750 kWh	\$54	\$60	\$60	\$58	\$59
Dollar Increase		\$6	\$6	\$4	\$5
Percent Increase		11%	11%	8%	10%
1000-1250 kWh	\$106	\$116	\$115	\$115	\$113
Dollar Increase		\$11	\$10	\$9	\$8
Percent Increase		10%	9%	9%	7%
2501-3000 kWh	\$274	\$309	\$310	\$336	\$332
Dollar Increase		\$35	\$37	\$63	\$59
Percent Increase		13%	13%	23%	21%



# Residential Tier Rates







## Example Residential Bill Impacts Using Specific Customers' Usage Patterns (size categories do not reflect overall customer usage patterns)

### Small Apartment with Electric Heat

	Feb	Aug	AvgMon	% Incr	\$/kWh
<b>kWh</b>	<b>560</b>	<b>541</b>	<b>427</b>		
Current	47	46	36		\$0.0845
AE Recommendation	49	56	41		
Monthly Increase	3	10	5	15%	\$0.0970
Mayor Leffingwell	49	57	41		
Monthly Increase	3	11	5	15%	\$0.0971
Alt 25% Spread*	49	56	41		
Monthly Increase	3	11	5	15%	\$0.0971

### Average Home with Gas Heat

	Feb	Aug	AvgMon	% Incr	\$/kWh
<b>kWh</b>	<b>532</b>	<b>2,011</b>	<b>1,162</b>		
Current	44	211	113		\$0.0975
AE Recommendation	47	258	127		
Monthly Increase	3	47	14	12%	\$0.1096
Mayor Leffingwell	47	263	130		
Monthly Increase	3	52	17	15%	\$0.1120
Alt 25% Spread*	47	264	130		
Monthly Increase	3	53	17	15%	\$0.1117

### Medium Sized Home with Electric Heat

	Feb	Aug	AvgMon	% Incr	\$/kWh
<b>kWh</b>	<b>2,163</b>	<b>2,631</b>	<b>2,206</b>		
Current	198	281	217		\$0.0983
AE Recommendation	234	354	261		
Monthly Increase	36	73	44	20%	\$0.1183
Mayor Leffingwell	215	353	248		
Monthly Increase	17	73	31	14%	\$0.1124
Alt 25% Spread*	214	357	249		
Monthly Increase	16	77	32	15%	\$0.1127



## Example Residential Bill Impacts Using Specific Customers' Usage Patterns (size categories do not reflect overall customer usage patterns)

### Medium Sized Home with Gas Heat

	Feb	Aug	AvgMon	% Incr	\$/kWh
<b>kWh</b>	<b>1,645</b>	<b>3,088</b>	<b>2,219</b>		
Current	149	332	224		\$0.1011
AE Recommendation	168	426	267		
Monthly Increase	19	94	42	19%	\$0.1201
Mayor Leffingwell	160	422	258		
Monthly Increase	11	90	34	15%	\$0.1163
Alt 25% Spread*	159	429	260		
Monthly Increase	10	97	35	16%	\$0.1170

### Large Home with Electric Heat

	Feb	Aug	AvgMon	% Incr	\$/kWh
<b>kWh</b>	<b>3,090</b>	<b>3,431</b>	<b>3,026</b>		
Current	286	371	304		\$0.1005
AE Recommendation	360	480	376		
Monthly Increase	74	109	71	24%	\$0.1242
Mayor Leffingwell	315	473	349		
Monthly Increase	30	103	44	15%	\$0.1152
Alt 25% Spread*	315	483	352		
Monthly Increase	30	112	47	16%	\$0.1162

### Large Home with Gas Heat

	Feb	Aug	AvgMon	% Incr	\$/kWh
<b>kWh</b>	<b>1,547</b>	<b>5,809</b>	<b>3,050</b>		
Current	140	638	316		\$0.1035
AE Recommendation	155	855	391		
Monthly Increase	16	217	76	24%	\$0.1283
Mayor Leffingwell	150	830	373		
Monthly Increase	10	192	57	18%	\$0.1222
Alt 25% Spread*	148	856	379		
Monthly Increase	9	218	63	20%	\$0.1241





## Residential CAP Funding Comparison

Item	Customer-Months	Rate (per customer)	CAP Revenue
Residential Customer Months	4,374,252		
Less: CAP Participants	300,000		
CAP Contributions	4,074,252	\$1.50	\$6,111,378

Item	kWh Sales	Rate (per kWh)	CAP Revenue
Residential Customer Months	3,864,401,370		
Less: CAP Participants	306,900,000		
CAP Contributions	3,557,501,370	\$0.001720	\$6,111,378



# Commercial and Industrial Rates

Bill Components	Secondary Voltage <10 kW	Secondary Voltage 10- <50 kW	Secondary Voltage ≥50 kW	Primary Voltage <3MW	Primary Voltage 3 - <20 MW	Primary Voltage ≥20 MW	Transmission Voltage
Customer Charge (\$/month)	18.00	25.00	65.00	250.00	2,000.00	2,500.00	2,500.00
Electric Delivery (\$/kW billed)	0.00	4.00	4.50	2.50	3.50	3.50	N/A
Demand (\$/kW billed)							
Summer	0.00	6.15	7.85	10.00	11.25	12.00	12.00
Non-Summer	0.00	5.15	6.85	9.00	10.25	11.00	11.00
Energy (¢/kWh)							
Summer	6.198 ¢	2.914 ¢	2.247 ¢	1.263 ¢	1.265 ¢	1.029 ¢	0.815 ¢
Non-Summer	4.598 ¢	2.414 ¢	1.747 ¢	0.763 ¢	0.765 ¢	0.529 ¢	0.615 ¢
Fuel Adjustment (¢/kWh)	3.284 ¢	3.284 ¢	3.284 ¢	3.210 ¢	3.210 ¢	3.210 ¢	3.169 ¢
Community Benefit Charges (¢/kWh)							
Customer Assistance Program	0.065 ¢	0.065 ¢	0.065 ¢	0.065 ¢	0.065 ¢	0.065 ¢	0.065 ¢
Service Area Street Lighting	0.096 ¢	0.076 ¢	0.068 ¢	0.058 ¢	0.054 ¢	0.051 ¢	0.045 ¢
Energy Efficiency Programs	0.300 ¢	0.238 ¢	0.213 ¢	0.182 ¢	0.169 ¢	0.158 ¢	0.141 ¢
Regulatory Charge							
(¢/kWh)	0.711 ¢						
(\$/kW billed)		2.47	2.59	2.28	2.92	2.91	2.48
Percent Class Rate Change	18%	8%	3%	1%	1%	15%	-3%





# Lighting Customer Class

Bill Components	Service Area Street Lighting	Metered Lighting Customer- Owned Sports Lighting	Customer Owned Non- Metered Lighting	Austin Energy-Owned Outdoor Lighting			
				100 Watt High Pressure Sodium	175 Watt Mercury Vapor	250 Watt High Pressure Sodium	400 Watt Mercury Vapor
Customer Charge (\$/month)		\$ 15.00					
Energy Charge							
Summer (¢/kWh)	23.219 ¢	6.983 ¢	2.604 ¢				
Non-Summer (¢/kWh)	23.219 ¢	5.483 ¢	2.604 ¢				
Energy (\$/month)				\$ 7.03	\$ 12.05	\$ 18.07	\$ 28.12
Fuel Adjustment (¢/kWh)		3.284 ¢	3.284 ¢	3.284 ¢	3.284 ¢	3.284 ¢	3.284 ¢
Community Benefit Charges (¢/kWh)							
Customer Assistance Program		0.065 ¢	0.065 ¢				
Service Area Street Lighting		0.081 ¢	0.048 ¢				
Energy Efficiency Programs	0.000 ¢	0.000 ¢	0.000 ¢				
Regulatory Charge							
(¢/kWh)	0.092 ¢	0.316 ¢	0.094 ¢				



# Comparison of Proposals

(Dollars in Millions)

Revenue Requirement and Proposed Customer's Rate Increase				
Customer Class	December 2011 Proposal		May 2012 Proposal	
	Revenue by Class	Percent Increase by Class	Revenue by Class	Percent Increase by Class
Residential	\$ 450	20%	\$ 426	14%
Secondary Voltage (< 10 kW)	45	22%	43	18%
Secondary Voltage (10 < 50 kW)	101	10%	99	8%
Secondary Voltage (≥ 50 kW)	375	6%	366	3%
Primary Voltage (< 3 MW)	32	3%	31	1%
Primary Voltage (≥ 3 < 20 MW)	56	20%	48	1%
Primary Voltage (≥ 20 MW)	66	17%	57	15%
Transmission Voltage	15	-4%	15	-3%
Lighting	5	89%	3	35%
Total Revenue Requirements	\$ 1,145		\$ 1,090	
Total System Increase	126	12.5%	\$ 71	7.0%





# Questions